



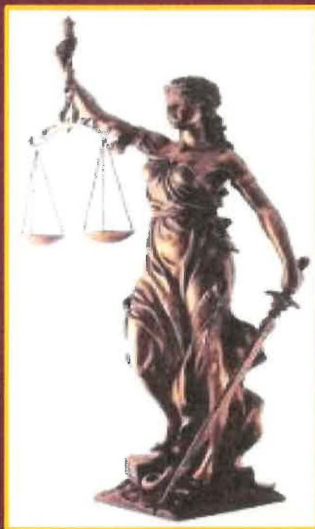
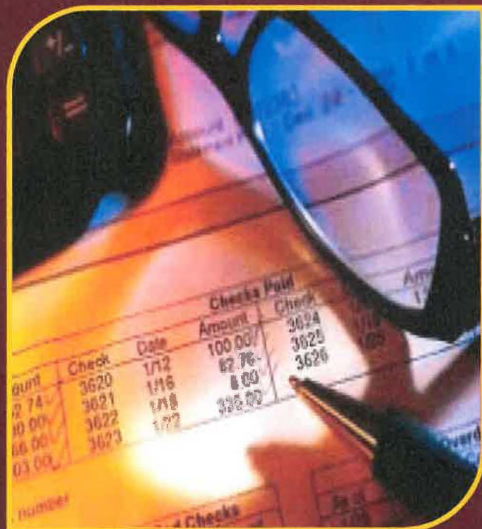
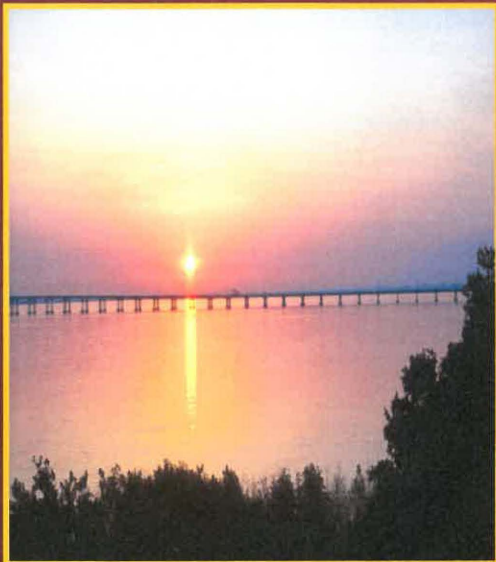
DIVISION OF INSPECTOR GENERAL

KEN BURKE, CPA

CLERK OF THE CIRCUIT COURT AND COMPTROLLER

PINELLAS COUNTY, FLORIDA

INVESTIGATION OF MISUSE OF COUNTY TIME AND EQUIPMENT

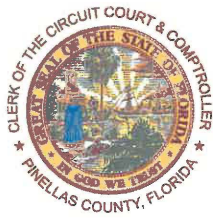


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Hector Collazo Jr.
Inspector General/Chief Audit Executive

Investigation Team
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Cassy Moreau, CAMS, CFE, CIGA – Inspector General Auditor I

JUNE 2, 2016
REPORT NO. 2016-10



Ken Burke, CPA

CLERK OF THE CIRCUIT COURT AND COMPTROLLER
PINELLAS COUNTY, FLORIDA

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Recorder of Deeds
Clerk and Accountant of the Board of County Commissioners
Custodian of County Funds
County Auditor

Division of Inspector General

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June 2, 2016

David Blasewitz, Interim Director, Human Resources

The Division of Inspector General's Public Integrity Unit received allegations of Fraud, Waste, and Abuse. We have completed an investigation of the following allegation:

- Two Human Resources employees are conducting business for a nonprofit organization they founded and operate while at work on County time using County equipment.
Substantiated.

To determine whether the allegation was substantiated, we reviewed policies, procedures, and appropriate records. During our investigation, it came to our attention that both Respondents are no longer employed with the County. Our investigation was performed according to the *Principles and Standards for Offices of Inspector General* and *The Florida Inspectors General Standards Manual* from the Commission for Florida Law Enforcement Accreditation.

The recommendations presented in this report may not be all-inclusive of areas where improvement may be needed. Implementation of our recommendations in this report will strengthen the current internal controls.

We appreciate the full cooperation and assistance of Human Resources and Business Technology Services management during our investigation. If you have any questions, please do not hesitate to contact me at 464-8371.

Respectfully Submitted,

Hector Collazo Jr.
Inspector General/Chief Audit Executive

cc: Ken Burke, CPA, Clerk of the Circuit Court & Comptroller
Personnel Board - Unified Personnel System



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TABLE OF CONTENTS

	Page
Introduction	4
Summary of Investigative Findings	5
Investigative Findings, Issues and/or Concerns	
1. Human Resources Employees Are Misusing County Time And Violating County Policies.	7
2. A Human Resources Employee Did Not Report Non-County Employment As Required.	9
3. A Human Resources Employee Has Been Transmitting Sensitive Data Via Un-Encrypted Email.	10

INTRODUCTION

Synopsis

On July 16, 2015, the Division of Inspector General received an anonymous complaint that alleged two Human Resources employees are conducting business for a nonprofit organization they founded and operate while at work on County time using County equipment. An investigation was initiated upon receipt of the complaint.

As of November 2015, both Respondents no longer work for the County. Nonetheless, the Division of Inspector General's investigation determined that the allegation is substantiated, as there was sufficient evidence to reasonably conclude that the allegation is true.

Summary of Investigative Findings

NO.	INVESTIGATIVE FINDINGS CAPTIONS RECOMMENDATIONS	MANAGEMENT RESPONSES	IMPLEMENTATION STATUS
1	<i>Human Resources Employees Are Misusing County Time And Violating County Policies.</i>		
	We recommend management educate staff on the appropriate use of County time in accordance with Pinellas County Personnel Rules.	Concur	Completed
2	<i>A Human Resources Employee Did Not Report Non-County Employment As Required.</i>		
	We recommend management educate staff and enforce the policy on outside or non-County employment as described in UPB Policy #5. Management should be clear on the importance of obtaining permission <u>prior</u> to gaining employment outside their County employment.	Concur	Completed
3	<i>A Human Resources Employee Has Been Transmitting Sensitive Data Via Un-Encrypted Email.</i>		
	We recommend management educate staff on data security and the importance of being vigilant with sensitive information, especially when composing emails.	Concur	Completed

Background

The Human Resources Department is part of the Unified Personnel System (UPS) of Pinellas County Government. It provides personnel services for the eleven Appointing Authorities who comprise the UPS.



Human Resources serves all of the Appointing Authorities by creating and maintaining a workforce that is qualified, trained, compensated, fairly treated, well-informed and recognized through cost-effective and efficient policies and procedures which support programs and sound strategies.

Human Resources has established Personnel Rules and Unified Personnel Board Policies to provide employees with a code of conduct and the disciplinary action that will take place should these guidelines be broken. The rules and policies address outside/non-County employment and disciplinary actions with regards to the misuse of County time and equipment, among other things. These rules and policies were last updated on January 1, 2016.

On July 16, 2015, the Division of Inspector General received an anonymous complaint that alleged two Human Resources employees, Respondent 1 and Respondent 2, are conducting business for a nonprofit organization they founded and operate on County time using County equipment. An investigation was initiated upon receipt of the complaint. During our investigation, it came to our attention that as of November 2015, Respondent 1 and Respondent 2 no longer work for the County.

The Division of Inspector General's investigation of the allegation concluded that the allegation is **substantiated** as there was sufficient evidence to reasonably conclude that the allegation is true.

INVESTIGATIVE FINDINGS

1. Human Resources Employees Are Misusing County Time And Violating County Policies.

The Division of Inspector General received a complaint alleging that two Human Resources employees, Respondent 1 and Respondent 2, are using County time and equipment to run a nonprofit business. Upon investigating the allegation, the Division of Inspector General confirmed the integrity of the claim. In addition, review of evidence as detailed below revealed that Respondent 1 was conducting business on three additional businesses on County time using County equipment.

We obtained and confirmed the Respondents' affiliation with the nonprofit and other businesses by:

- Reviewing the database of the Florida Division of Corporation (sunbiz.org). Respondent 1 is listed as the President of the nonprofit, the President of one for profit entity, and the managing member of another for profit entity. Respondent 2 is listed as the Treasurer of the nonprofit entity.
- Reviewing Lexis Nexis reports. Both Respondents are executives for the nonprofit entity. Respondent 1 is the registered agent for the nonprofit. Respondent 1 is also related to three for profit businesses and Respondent 2 is related to several other for profit businesses.
- Performing general internet searches and review of the nonprofit's website, which further confirmed Respondent 1's ownership of the nonprofit.

We obtained images of the Respondents' work computer hard drives and our review of the devices revealed that the Respondents maintained documents pertaining to the nonprofit and at least one of the businesses mentioned above on County equipment.

We obtained the Respondents' internet browsing history, which provided evidence supporting the allegation as follows:

- PaloAlto Web Browsing Activity Reports for Respondent 1 show frequent navigation to the nonprofit's website and email box over the past six months. The nonprofit email box alone was accessed 781 times for a total of approximately four hours over the past six months. The reports also show navigation to nonprofit related websites such as irs.gov (searches related to nonprofit annual filings).
- PaloAlto Web Browsing Activity Reports for Respondent 2 shows limited navigation to sites related to the nonprofit.

We obtained access to the Respondents' Outlook email inboxes, which provided evidence supporting the allegation as follows:

- 90 emails to/from Respondent 1 regarding the nonprofit entity and affiliated businesses over the past three years.
- 25 emails to/from Respondent 2 regarding the nonprofit entity, most within the past year.

We obtained the Respondents' work phone logs; the logs contained phone calls made and received that support the allegation as follows:

- Respondent 1 made/received 620 calls over approximately 1.5 years directly related to the nonprofit and other affiliated businesses totaling approximately 32 hours.
- Respondent 2 made two calls over the same timeframe related to an affiliated business.

The Respondents' actions listed above constitute the following infractions subject to disciplinary action per the Pinellas County Personnel Rules, resulting in misuse of taxpayer's dollars, which could possibly result in a poor image of the County to the citizens we serve:

- (D10) Misuse or destruction of property or equipment.
- (D11) Unauthorized use of County equipment or property.
- (D12) Violation of written rules, regulations, policies, or statutes.
- (D20) The employee has engaged in conduct unbecoming an employee of the County.

We recommend management educate staff on the appropriate use of County time and equipment in accordance with the Pinellas County Personnel Rules.

Management Response:

Concur. Management agrees with the recommendation and has indicated the recommended staff education was conducted on April 13, 2016.

Inspector General Comment:

The above noted infractions occurred under the old Personnel Rules 23(J) (11, 12, 14, &16). As of January 1, 2016, the Unified Personnel Board has revised the aforementioned rules and the infractions now fall under Rule 6(F) (D10-D12 and D20). The fact remains that the Respondents have violated the rule. Furthermore, in their response, management has concurred that the respondents misused their positions in order to perform a significant amount of work for the outside entity.

2. A Human Resources Employee Did Not Report Non-County Employment As Required.

Respondent 1 did not report their affiliation with the nonprofit entity and other businesses as required by the Unified Personnel Board (UPB) Policies. UPB Policy #5 addresses outside or non-County employment. This policy outlines the provisions under which County employees may request permission for outside employment. Failure to obtain permission for outside employment is grounds for discipline, up to and including termination.

Requests and approval/disapproval are maintained within OPUS as part of the employee's official file. We obtained both Respondents' personnel files and reviewed for documentation requesting outside employment. Neither Respondents' personnel file contained the required documentation.

Although Respondent 2 did not report involvement with the nonprofit, their involvement as Treasurer may not be considered employment. Consequently, failure to report is not an exception for the purpose of this investigation.

We recommend management educate staff and enforce the policy on outside or non-County employment as described in UPB Policy #5. Management should be clear on the importance of obtaining permission prior to gaining employment outside their County employment.

Management Response:

Concur. Management agrees with the recommendation and has indicated the recommended staff education was conducted on April 13, 2016.

Inspector General Comment:

The above infraction occurred under the old Personnel Rule 21. The rule, at the time, only addressed Classified Employees. Both Respondents were Exempt Employees at the time of the infraction. However, Management had knowledge of and had approved of their involvement with the outside enterprise. As of January 1, 2016, the Unified Personnel Board has included Exempt Employees in their revision of this rule, which is now referred to as UPB Policy #5.

3. A Human Resources Employee Has Been Transmitting Sensitive Data Via Un-Encrypted Email.

During our review of Respondent 1's Outlook email inbox, we noted sensitive electronic data was transmitted in plain text. We found email containing:

- A social security number
- A nonprofit entity's bank routing and account number
- A client's name/address/date of birth
- Respondent 1's spouse's driver's license number and address

According to the Pinellas County Information Security Policy, "Emails are sent in plain text and pass through multiple servers and devices, which may present opportunities for loss of privacy. When sending sensitive data via Email over the Internet, encrypting the message is required to maintain the confidentiality of the data. Unencrypted email is not a secure method for transmitting sensitive information such as Protected Healthcare Information (PHI), Personally Identifiable Information (PII), or Credit Card information."

Given Respondent 1's lax attitude towards sensitive data, there is a risk that the Respondent may have been as careless with County data entrusted to them as a Human Resources employee.

We recommend management educate staff on data security and the importance of being vigilant with sensitive information, especially when composing emails.

Management Response:

Concur. Management agrees with the recommendation and has indicated the recommended staff education was conducted on April 13, 2016.



DIVISION OF INSPECTOR GENERAL

KEN BURKE, CPA
CLERK OF THE CIRCUIT COURT
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PINELLAS COUNTY, FLORIDA

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